

Wednesday, November 20, 1985

PARAFRANCE SAVED FROM BANKRUPTCY

Noises Noted At NATO

The National Assn. of Theater Owners convention was not the place to be for those trying to stay away from sweets and alcohol. The trade show, which the National Assn. of Concessionaires again cosponsored with the Theater Equipment Assn. and NATO, gave out pounds and gallons of candy and soft drinks. The booze flowed at the hospitality suites, this year hosted by Atlantic Releasing, Columbia, Coca-Cola, New World, Cannon, Film Ventures Intl., Cinetel, Screenvision and Expeditar ... 20th Century Fox, which hosted a pour prior to the president's banquet, showed clips from "Jewel Of The Nile," "Bad Medicine," "Enemy Mine" and "Power" on the Hyatt Regency's closed-circuit tv system.

The organizers of ShowEast, theater owners' confab that started this year in Atlantic City, met during the convention to plan next year's event, Sept. 6-19. **Dick Horn** and **Paul Peterson** president and chairman of N.J. NATO, respectively, powwowed with exhibitors from Connecticut, New York State and Pennsylvania in an effort to get "more involvement, more cooperation, more bodies" ... Show South backers also made their presence known, pitching signups to its April 17-19 event at Opryland Hotel in Nashville. The Southeastern NATO convention (Alabama, Florida, Georgia, Tennessee and the Carolinas) plans to have its president's banquet on the Cumberland River aboard the General Jackson showboat.

Tony De Santis of Massachusetts said he is taking his drive to help limited-market theaters on the road. He's traveled through several states talking to the small, economically strapped theaterowners and giving instructional seminars to help them cope ... NATO's board of directors saw a four-minute film narrated by **Robert Wise** on the American Film Institute's Center for Advanced Film Studies, following **Jean Firstenberg's** (Continued on page 119)

BRITS BUY STOCK, INCLUDING PAR'S

By TED CLARK

Paris, Nov. 19.

British brothers Michael and Anthony Stevens have purchased 70% of the stock in Parafrance, including the 25% chunk held by Yank major Paramount Pictures, saving the floundering French exhibition company from bankruptcy. Parafrance's theater circuit will be substantially broken up as part of the deal, however.

Only the Paris theaters, 10 complexes totaling 30-screens, are being retained by Parafrance, new chairman of which is veteran French producer and exhibitor Jacques Bar.

Michael Stevens, New York-based businessman, investment banker and property builder and developer, will himself take the top job at the Parafrance television production subsidiary, Télécip, where present senior executives Roland Gritti and Jacques Decourt will stay on.

The five provincial theater complexes in the cities of Nancy, Lyons, Grenoble, Orleans and Angers are being ceded to the big three French exhibition circuits, Gaumont, UGC and Pathé.

Among new Parafrance board members will be French film star Alain Delon and Anthony Montague Brown, onetime secretary to the late Sir Winston Churchill and now a prominent international business figure as deputy chairman of Gerard and National, the leading London discount house, and with other companies.

Paul Bluhdorn, son of the late Gulf & Western chief Charles Bluhdorn and currently senior v.p. of production at Paramount, is keeping his seat on the board, though Paramount is out.

"Paramount is no longer in the new structure," said Michael Stevens. "We have bought all the shares, except 30% owned by Clement Vaturi's SOCIF company."

Paramount retains ownership of its Paramount Opera Theater, however.

Vaturi, and the Suez finance group, were the main new shareholders brought into Parafrance in 1982 in a move to increase capital and restructure the company for large-scale expansion and diversification.

Man behind the plan was Serge Siritzky, who had ousted his uncle, Jo Siritzky, from the chairman's seat in a family coup that caused much bitterness.

Acquisition of more theaters and increased production and distribution activity, including a contract to handle a package of Orion pictures, were generally unsuccessful. Parafrance accumulated 268,000 francs (\$33,500,000) in debts.

Stevens said he and his associates had agreed with the banks to repay a bulk sum of money as the banks released mortgages that had been incurred on all Parafrance assets.

"The amount we have paid for Parafrance is a difficult and complicated question to answer, as it was part of a global transaction," he said.

"The banks are taking a reduced amount, a fairly substantial cut, on what was owed to them. As a businessman, I am not prepared to

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Hollywood Razzle-Dazzle Marks Closer Of Exhibition Convention

New Orleans, Nov. 19.

Finally serving up the Hollywood razzle-dazzle mostly lacking during convention week, the National Assn. of Theater Owners Saturday (16) night handed merit awards to a contingent of talent and filmmakers that helped sell a heap of tickets over the year.

The exhibitor trade group again stepped into its once-a-year role as creative producer (as opposed to "exec producer" Coca-Cola Co., which traditionally picks up the tab for the formal affair), and the result seemed to please the packed ballroom although many conventioners checked out prior to the finale.

Disney Coin Raised By Silver Screen II

Silver Screen Partners II has completed a \$193,000,000 public offering with Walt Disney Prods. where by the partnership will finance films for release under the Disney and Disney's Touchstone banners.

Initially registered at \$100,000,000, offering was expanded to \$200,000,000 due to strong public response, finally closing last week at its \$193,000,000 figure.

Silver Screen Partners II is a followup to Silver Screen Management's first limited partnership offering, Silver Screen Partners, which raised \$83,000,000 in 1983 for the financing of seven films produced in association with Home Box Office.

Four of those films have been released to date, including "Volunteers" and "Sweet Dreams."

Silver Screen Partners II expects some 25% of its portfolio to be used in the making of "traditional animated and family entertainment films" for Walt Disney release. Remaining 75% will go to "mainstream Hollywood films" for release under the Touchstone label.

SACK PULLS 'MARY' FROM CHARLES SITE

Boston, Nov. 19.

In a move prompted not by threats but "for the sake of humanity," Sack Theaters topper A. Alan Friedberg said his Sack Charles hardtop has cancelled booking of Jean-Luc Godard's "Hail, Mary." Instead, the Orson Welles triplex in Cambridge will show the controversial film.

At a press conference Monday (18) night at the Sack Copley multiplex, Friedberg said, "We have reluctantly concluded that the intensity of the reaction has vitiated any possibility that the film can be shown in Boston now and be evaluated solely and maturely on its merits as a motion picture."

He said he did not cave into threats of picketing by Catholic protestors but by "my concern to address the very sincere sensibilities of a group of people whose views I don't share but whose sincerity I respect."

The Catholic Archdiocese of Boston said on the front page of its official newspaper that it was "saddened" by the plans to show "Hail, Mary." The Rev. Peter V. Conley, community relations secretary for the archdiocese, said he was pleased the theater owner "was sensitive to

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Introduced verbally by NATO honchos and visually by a batch of well-cut clips by various studios, Michael J. Fox, Danny DeVito, Ron Howard, Richard and Lili Zanuck, David Brown, Kathleen Turner and Clint Eastwood accepted their trophies with genuine appreciation for the exhibitors' point-of-sale role in the industry.

"I'm going to be making a lot more films," Eastwood said following a preamble in which NATO prez Richard Fox said the man has brought in \$1-billion at the box office. "If you don't decide to make me 'star of the quarter century' in 15 years, it won't be because I didn't try. You went ahead and you made my decade."

Just before Eastwood received what NATO dubbed the "star of the decade" award, a radiant Turner accepted her "star of the year" paean with a "Wow" and, "This is a very special evening for me. I never felt so liked." She said it's "important to take chances and be your own person, and you're telling me I'm doing a good job, so thank you."

Now, That's Deep

Song "You Made Me Love You" accompanied Turner's sequence of clips, while "Cocoon" and "Splash" director Howard's assembled footage depicted just how far the former child actor has come, from directing mayhem-filled car pics to films with human emotions deeper even than the production budgets.

Howard said he appreciated the "important vote of confidence" repped in the director of the year nod given by those responsible for "getting people to show up and see the films we made and making sure they're presented in the most appealing way."

As the elder statesmen of the evening (along with Eastwood), Zanuck and Brown gave much credit to the youthful input into "Cocoon" from both Howard and Lili Fini Zanuck, who originally brought the property to Z/B.

Brown, who earlier said "four Z/B projects are very close to the casting stage" at Warner Bros., expressed pride in Mrs. Zanuck for convincing the producers that "you can make a film about someone over 12 years old. I'm pleased to be connected to a film where the actors were older than I was."

Zanuck thanked Fox execs and the exhibitors "who booked the picture," which he admitted was not an obvious winner. "You bet on us

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Orion Reports Banner Year In Latin America; 'Terminator' Hot

By RICHARD GOLD

In spite of continuing economic turbulence in Latin America, Orion Pictures has had its best year ever in the region, and the distributor's outgoing exec in charge of the territory believes the future of the major Latin theatrical markets is strong enough to warrant perseverance there in the face of runaway inflation, stringent, occasionally Byzantine remittance regulations and endemic video piracy.

According to Stuart Salter, who is wrapping up his one-year tenure as Orion's Latin America supervisor to take up the post of director of European/African sales for the distributor (he replaces David Lampington, who has been upped to Orion's international general sales manager), 1985 has been "the best year in Latin America in Orion's existence." He attributes this to magnificent b.o. for "The Terminator," "The Women In Red" and "Code Of Silence," surprisingly feisty biz for "The Purple Rose Of Cairo" and simpatico support by young Latinos for "Desperately Seeking Susan."

Salter, who previously spent more than 10 years in Latin America and Spain for United Artists, rates Brazil, Mexico, Argentina and Venezuela as the major Latin markets in descending order of strength. He assesses Colombia as a troubled market but one worth cultivating in the hope of longrange improvement in economic conditions. He ranks Chile "behind Colombia and Venezuela" as a market for U.S. films.

The problem markets in the region are Uruguay, Paraguay, Peru and Ecuador, Salter says. "The economy is so bad (in those countries) that it's almost impossible to get your money out, and when you do it's so devalued you've barely covered your costs."

Nevertheless, Salter is encouraged by regional resurgences in Brazil and Argentina and the prospects in Mexico as that nation recovers from September's disastrous earthquake

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Trans-Lux Results

Trans-Lux Corp. had a third-quarter net of \$383,259 (23¢ per share) on revenues of \$7,752,364, versus \$408,858 (23¢) on revenues of \$7,610,335 last year.

Nine-month net was \$1,227,206 (74¢) on revenues of \$23,370,587, compared to \$1,272,869 (72¢) on revenues of \$22,484,360.

U.S. Screens Reach All-Time High In '85

New Orleans, Nov. 19.

Despite a soft boxoffice last summer, mood here was upbeat for Christmas and beyond as the National Assn. of Theater Owners met for their 61st annual convention. Once again, optimism is reflected in the record number of screens in operation in the U.S.

According to its 1985 Encyclopedia of Exhibition, just published, NATO tracked down 20,035 indoor and drive-in screens, including 17,856 hardtops and 2,179 ozoners, as of last August. Figure will likely end up higher at year's end due to new construction.

That all-time-high screen tally beats the 1984 figure of 19,589 (16,749 indoor and 2,840 outdoor). The all-time low, per the NATO survey, was in 1963 when 12,652 screens were counted (9,150 indoor; 3,502 outdoor).

Golden State Leads

California still harbors the highest number of drive-ins as well as hardtops, numbering 215 and 1,772, respectively, for a total of 1,987.

In Texas, the 1,632-screen total includes 1,469 indoor screens and 163 outdoor units. Next comes New York, with its 1,224 screen tally breaking down into 1,123 indoor and 101 outdoor.

Despite its expanse, Alaska has the fewest number of screens, with 39, while District of Columbia has 56 screens.

Noises Noted At NATO

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brief address, in which she also made note of father Eugene Picker's 82d birthday Sunday (17). Picker worked for Loews and Trans-Lux.

Walter Reade Organization execs **Chris Preuster**, **John Blamer** and **Paul Baise** attended the confab but as members of the National Assn. of Concessionaires. Circuit hasn't been affiliated with NATO since the late **Walter Reade Jr.** had a falling out with Motion Picture Assn. of America prexy **Jack Valenti** 17 years ago over creation of the ratings system ... Per convention scuttlebutt, Trans-Lux president **Bud Levy** may have two more president titles in his future, at the helm of the Will Rogers Institute and NATO itself after **Richard Fox**' term expires next year.

Will Rogers' **Martin Newman**, **Lois Lewis**, **Deborah Lopez** and **Kathleen Adams** worked the institute's room, where conventioners inaugurated the new \$6,000 Kodak Ektachem Analyzer which measures blood cholesterol in minutes. **Judy Johnson**, a nurse from a nearby hospital, checked blood pressures. Will Rogers also experimented with a new collection box — a mock one-armed bandit that may be put at Atlantic City sites.

Police blotter: **Ted Hatfield**, MGM/UA's v.p. of field marketing operations, was mugged beyond the confines of the Hyatt Regency in New Orleans. Music Motions, the firm that distributes sponsored rock films to theaters, had a \$1,400 VCR stolen from its show room at the hotel. Also taken was a tape compiling its product line, including **Eddie Murphy's** "Party All The Time" and a new song clip by Norwegian rock trio a-ha. "It had the time code on it. That's how new it was," per MM's **Denise Battaglia**, who attended NATO with cohorts **Tom Hayes**, **Pam Henning** and **Shant Hovannian**.

Milton Herson, head of Music Makers Theaters based in Lakewood, N.J., attended with his wife **Arlene Herson**, who does a cable tv interview show called "Getting To Know You" that runs on Manhattan Cable and CTN in N.J. ... All in the family: convention host chairman **T.G. (Teddy) Solomon** introduced Louisiana's rep to the event, secretary of state **James H. Brown**, also his son-in-law. All in fun: Brown, who Solomon said may run for governor, told the opening-day conventioners he was told not to talk about the blinding bill he offered up while a state senator with Valenti there (the bill became law). When it was the MPAA leader's turn to speak, he noted Solomon's "chutzpah of bringing his son-in-law up and anointing him for governor. I'll make speeches for him, for or against, whatever will help him the most."

Keynote speaker **Don Keough**, Coca-Cola topper, said, "The real reason I'm here is that I work cheaper than either (Columbia execs **Guy McEwaine** or **Francis Vincent**)," rebutting *Variety* reporter **Will Tushnet's** published observation that "the master brewer" has tightened his grip on Columbia Pictures, thus earning the keynote role.

Gary Solomon, Gulf States Theaters' president, emceed the president's banquet Saturday (16) night. His father, **T.G. (Teddy)**, is still a consultant to the circuit, while sitting as chairman of the Louisiana Film Commission ... **Valenti** promised to call GCC Theater's prexy **Paul Del Rossi** to point out the flawed presentation of Columbia's "Murphy's Romance" for exhibs Wednesday (13) at GCC's Lakeside Cinema. The non-member circuit's theater did, however, post a "welcome NATO" sign on its marquee ... Hyatt Regency is h.q. for the 1986 Showarama in Kansas City and made note of that role by having its New Orleans housekeepers float a plastic duck in guests' bathroom sinks with the note, "We're quackers over you."

Embassy Plans 15 Pics A Year

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ble hand in promoting films on a local level.

Gleason, who officially changes hats in early December, said he would spend most of January visiting with exhibs around the country with the official kickoff for the company coming at ShoWest in February.

As indicated earlier, De Laurentiis will break down the production divisions of Embassy into two sides: **Dino De Laurentiis Prods.** for the slightly higher-budget action/adventure fare and Embassy for lower-budget comedy, youth and music films.

De Laurentiis indicated budgets for the DDL pics will average in the area of \$11,000,000 with the Embassy product coming in at around \$9.5,000,000.

Raffaella De Laurentiis will assume production reins of DDL Prods. after completing her work as producer of "Tai Pan," currently shooting in China. Acquisitions all will go through Embassy.

Seven productions are already in the planning stage for the 1987 schedule, headed by Robert Towne's "Desert" a comedy caper set in Monte Carlo. Also on tap is the future-set "Total Recall" based on a short story by "Blade Runner" novelist **Philip K. Dick**. **Ronald Shusett** is writing the screenplay. Apparently back on track after

almost a decade of false starts is "Man's Fate," based on Andre Malraux' novel. No script or director has been assigned, but at one time **Michael Cimino** had been named as a possibility and because of his ties with De Laurentiis must be considered a possible choice.

Additional projects include "Training Exercise" based on a Stephen King story. Other two projects of as yet untitled material are planned for David Cronenberg and writer **John Briley** making his directing debut.

Only one of some 30 projects under development by Embassy was acquired by De Laurentiis when he bought the company from Coca-Cola. Project is entitled "The Challenger" with a script by **Alan Scott**. It had been budgeted at \$14,000,000 when at Embassy.

With almost no carryover in projects, a name-change for the company in the offing and the firing of about 65% of the inherited staff, De Laurentiis indicated that what he paid \$35,000,000 for was the film library and the opportunity to start up more rapidly with an infrastructure already in place.

First release for the new company is expected to be Stephen King's debut as a director, "Maximum Overdrive," slated for a late-February break. Pic originally had been part of De Laurentiis' distrib pact with

MGM/UA, but film was shifted.

Due out in January 1987 is the Arnold Schwarzenegger vehicle "Raw Deal," to be directed by **John Irvin** with an \$11,000,000 budget. **David Lynch's** \$7,000,000 "Blue Velvet" is targeted for September 1986 followed in October by the Halloween suspenser "Trick Or Treat," a low-budget entry at \$5,000,000.

Sissy, Jess & Diane

Cimino's "Hand Carved Coffins," with a \$14,000,000 budget, will go out in the fall as will the \$12,000,000 "Crimes Of The Heart" starring **Sissy Spacek**, **Jessica Lange** and **Diane Keaton** directed by **Bruce Beresford**. De Laurentiis will return to the bigger-budget fare popular in the foreign market with "King Kong Lives!" an \$18,000,000 Christmas 1986 release.

In addition to the seven De Laurentiis pictures to be released by Embassy in 1986, company plans to add at least three titles from the Embassy side. After this year, output should be divided more equally at about seven and seven.

De Laurentiis disagreed with claims that his films tend to be sprawling affairs, often overbudget. He suggested his new company will function as a "family" with a close watch on spending and a streamlined look. The plug simply will be pulled on directors whose films are running over budget, De Laurentiis said.

As for marketing of the films, De Laurentiis said he is prepared to spend as much as any major to launch a picture somewhere in the \$6,000,000 range, but would explore new ways of making the investment more effective. A marketing head will be appointed who will report to Gleason.

Dino's Deep Pockets

While it is expected that additional revenue sources from investors, joint ventures, coproductions or public offerings will be pumped into the company at some point, it was noted that De Laurentiis is the sole source of revenue to purchase the company and had the resources to cover production and startup internally.

Homevideo rights for initial titles will be sold to a third party but long-range plans call for a different scenario to capitalize on what De Laurentiis considers the large profit potential of the ancillary markets. Immediate plans, however, are to launch the distribution and production activities and to get films into theaters.

Gleason indicated some trimming in the 10 regional offices and two suboffices is likely.

Reade Results

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from the \$993,000 (18¢) posted a year ago. Discontinued operations contributed a whopping \$526,000 to 1985's nine-month net, while adding in \$345,000 a year ago. Revenues for the nine months rose 3% to \$8,757,000 from \$8,521,000 a year previous.

Skywalker Ranch

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ure Lucas has disputed for property tax purposes. A hearing on his protest will be held early next year; "Star Wars" helmer claimed Skywalker should be assessed at about \$11,000,000, but that was before purchase of adjacent acreage.

Castle Hill Prods. has set a late December-early January release for the New York launch of **Wes Craven's** "The Hills Have Eyes II."

Stevens Bros. Buy Parafrance

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give details of what terms they accepted."

Stevens said **Serge Siritzky** resigned his titles of chairman and managing director of Parafrance Monday (18). The outgoing head of the company had worked since the beginning of the summer, alongside a court-appointed trustee, to find a solution to the company's mounting burden of debt.

"He will perform some low-key functions at Parafrance for a limited time before leaving definitively," said Stevens.

A reported Parafrance survival plan put forward by Paramount was turned down by the French authorities, faced by opposition, including that of the big three exhibitors, to an all-American solution.

Another attempt, made at Culture Minister **Jack Lang's** request by publisher **Les Editions Mondiales** — whose Revcom motion picture and television subsidiaries have gained increasing importance — with Paramount as a minority partner failed because the finance ministry refused to advance 60,000,000 francs (\$7,500,000) needed to complete the package.

Stevens said Parafrance, under **Jacques Bar**, would be running the Paris theaters and a portfolio of 35 feature films. "We are in the process of buying another 50 features, but we are unable to disclose from what source," he said.

He said he is particularly interested in the Télépic tv company, which owned 700 hours of programming. Parafrance owned 80% of Télépic while 20% had been retained by previous owner Polygram.

"We have an option to acquire the Polygram stock, which will give us full rights to the Télépic programs," said Stevens. "I am sure there will be an increasing demand for audiovisual product, and I attach importance to this aspect of our acquisition."

Michael Stevens is a member of the New York Stock Exchange and has been known for a variety of business enterprises. His brother **Anthony** is based in Paris where he operates as a banking and legal adviser. "He is a partner in all my deals in France," said Michael Stevens.

Prolific Producer

Jacques Bar has been one of the most prolific French producers, through his Cité Films company, in postwar years. He also has interests in theaters in the cities of Cannes, Le Mans and Bourges, the last in association with **Delon**, and he has been in on recent productions by the star's **Adel Prods.** firm.

The Stevens deal, finalized and approved by the Paris commercial court Friday (15) means the Siritzky name disappears from Parafrance. **Jo Siritzky** and his brother, **Samy**, founded the firm on their return to France from the U.S. at the end of World War II after discovering the cinema business founded by their father, **Leon**, had not survived the German occupation.

After **Samy's** death, **Jo Siritzky** ran the company as chairman, with his son, **Alain**, as managing director. **Samy's** son, **Serge**, also was an exec at Parafrance and became president of the exhibitors' association, **La Federation des Cinemas Francaises**.

Jo and Alain were toppled in the coup organized by **Serge**, who took over as chairman and general manager at the end of 1982.

Now **Serge** is leaving the company after seeing it rise to new heights, and then descend to such a state of

indebtedness that it spent its final months under his chairmanship protected from its creditors by a court order — all in three years.

But the Siritzky name still rings out along the Champs-Élysées. **Jo**, and his son **Alain**, founded their own production and distribution companies from shared offices just down the pavement from Parafrance when they left three years ago.

They have produced and distributed many pictures under their SEDPA and ASP banners and are planning further expansion.

Coleco Judgment

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Lipton, **Rosen** & **Katz**, U's new attorney in the case, sharply disagreed with **Seltzer**, saying summary judgment should not be granted so long as U's motion for a partial new trial in the Nintendo case is before the court.

Judgment Stayed

Earlier in the week, **Judge Sweet** stayed imposition of the Nintendo judgment pending determination of **Barna's** motion in that case.

Judge Sweet probably will decide that matter before handing down a decision in the Coleco case.

Seltzer said U's fraud, misrepresentation and coercion in obtaining its Coleco agreement had been documented in the Nintendo trial and verdict.

He noted Coleco signed the agreement in 1982 in order to avoid a threatened trial and publicity, which could have endangered its packaging of a Donkey Kong cartridge with the introduction of Colecovision.

In his memorandum to the court prior to the oral arguments, **Seltzer** noted Coleco's 1982 sales were \$510,380,000, "almost three times the 1981 figure. Almost half of the income from Coleco's 1982 sales was from sales of Colecovision and Coleco's homevideo cartridges."

Seltzer said the court shouldn't have to go over the Nintendo trial information again just because U replaced its attorneys.

Barna challenged the contention that all the material had been brought out previously. He noted Coleco execs had been deposed for the Nintendo trial, but had not been called as witnesses.

He pointed out that it was important for trial testimony to judge the truthfulness of witnesses and to learn the reasons for Coleco agreeing to the U deal.

Barna said Coleco had delayed instituting its suit until **Judge Sweet** ruled **Donkey Kong** did not conflict with **King Kong**, a decision upheld by the Court of Appeals.

He pointed out that Coleco did not attempt to merge its case with Nintendo's prior to the trial on the counterclaim, apparently awaiting the outcome.

Barna said Coleco's bringing of a separate action and not trying the cases together were reasons for a separate trial. He said further discovery is needed to try the other case.

Seltzer countered, "Our facts come out of the court's opinion with Nintendo ... We filed our case long before the Nintendo case was decided." He noted U's treatment of Coleco is an issue in the Nintendo proceedings.

Elmer Bernstein has composed the musical score for **John Landis'** "Spies Like Us," a Warner Bros. release opening nationally Dec. 6.